

Glossary

Ability to Pay—the ability of individuals in a certain jurisdiction to pay taxes relative to those in other jurisdictions, generally based on a measure of income. The TACIR school system fiscal capacity model uses county per capita income and school district poverty rates, which are based on income, to measure ability to pay.

Fiscal Capacity—the potential ability of the school systems' to raise revenues from their own sources to pay for public education.

Fiscal Effort—the degree to which a school system utilizes the revenue bases available to it, typically measured as the ratio of between the actual amount of revenues collected or used for a particular purpose to a related measure of fiscal capacity.

Local Revenue—the amount of money provided at the discretion of local officials to support school systems, such as property taxes, and state-shared tax revenues that substitute for local revenue.

Ordinary Least Squares Multiple Linear Regression—a statistical process used to predict the values of a dependent variable, such as local revenue for education, based on the values of a set of explanatory variables, called independent variables.

Per Capita Income—income received by persons from all sources for a given geographic area divided by the population of that area; income includes compensation of employees (received), proprietors' income, rental income, income receipts on assets, and current transfer receipts less contributions for government social insurance.

Property per Pupil—the equalized assessed valuation of property subject to taxation by local officials divided by the number of students in average daily membership.

Representative Tax System—as a measure of fiscal capacity, a method of calculating the amount of revenue that a region or government would collect if it were to exert average fiscal effort; hypothetical tax system that is representative or typical of all the taxes actually levied by the state and local governments of a federation intended to be descriptive of the state-local tax system.

Resident Tax Burden—the portion of property tax payments for which owners of homes and farms are responsible; the equalized assessed valuation of residential and farm property divided by the total taxable value of all property.

Sales per Pupil—the value of all sales subject to taxation by cities and counties divided by the number of students in average daily membership.

Service Burden—the cost of providing for public education.